

**COMPILED NOTES**  
**2004 NRDP POLICY CONSULTATION**  
MARCH 15-17, 2004  
WASHINGTON, DC

# **MONDAY, MARCH 15, 2004**

## **Concurrent Policy Dialogues (Round 1)**

### **ACCESS TO RURAL HEALTH CARE POLICY DIALOGUE**

**March 15, 2004: 1:30-3:15 p.m.**

**Moderator: Paul Galligos**

**Panel:** Sandra Haldane, Principle Nurse at the Indian Health Services

Ulonda Shamwell – Substance Abuse & Mental Health Services Admin-Office of the Administrator

Jennifer Riggle – Associate Director of Office of Rural Health Policy

Steve Wilhide – National Rural Health Association.

#### **Rural Realities**

- Two reasons SRDCs should be involved in health issues: 1) the need for access to health services, and 2) economic development.
- A healthy community is a place where you can work and live and have all of the things it takes to raise a family and health care is an integral part of that.
- Health care is a major econ development force- highest paying jobs and sometimes the largest employer.
- There are also multipliers that you can take to determine how many other jobs are presented. In urban IL 11% of the pop is employed in health care, rural IL over 16%.
- Recruiting practitioners is difficult in rural areas; recruiting dental and mental health professionals is particularly difficult. Sometimes the wait in rural areas is 6-8 months to see a psychiatrist.
- Rural residents are less likely to have health insurance. 79% of uninsured rural Illinoisans have an adult family member who works.
- Volunteer EMS is also a big issue in rural areas. Volunteer units aren't as forward about billing and there is a disparity between urban and rural reimbursement.
- Transportation to the doctor is difficult in rural areas.
- Emerging issues with the rural elderly – as the pop. ages, growing issues with the elderly.
- Also limited options for special populations: Native Americans, the disabled.
- On top of that there is a high rate of substance abuse. Meth labs are a problem in rural areas. Especially areas where there a lot of layoffs, etc.

#### **What are the federal policies and programs that relate to access to health care?**

##### **HHS-IHS**

- Indian Health Service is in place because treaties were put in place mandating feds to provide health and educational services to Native Americans.

- IHS funded at 60% (\$13.9 billion) with a user population of 1.6 million; many Natives no longer live on reservations and IHS does not reach a significant population because they move to urban areas where there are no facilities and we end up rationing care.
- IHS top issue is trying to increase the funding to better match the level of need.
- 50% of our organizations are tribally operated—be aware that tribal organizations are sovereign entities and is a complicated gov't to gov't relationship.
- Health Promotion and Disease Prevention is also very high on our agenda-Diabetes and esp behavioral health, are the big HPDP issues in the upcoming years.
- IHS has 49 hospitals, 30+ are federal and the rest are tribally maintained. Also have village and community ambulatory health clinics. Large complement of public health nurses and community health aides are a large part of our programs.

### **HHS-SAMHSA**

- SAMHSA Objectives include access to care—increasing access and promoting program quality. This is translated into many of our discretionary grant programs.
- SAMHSA Access to Recovery (ATR) program-new discretionary grant program. The fed register notice went out on March 4.
  - Individual consumers can get vouchers to apply to any facility that is approved by the state and allows them to pick out recovery programs that are best for them.
  - Gives capacity to faith based programs that may have been previously cut out, and it gives the consumer a fundamental role in the process.
  - \$50 million dollars per year over the next three years available.
- President's Commission's report on mental health emphasizes need to use technology to promote mental health.
  - Still a pronounced stigma about mental health in rural areas.
  - Need to do cross-training with rural primary care physicians and collocation so patients don't need to go to a place that says mental health to get their treatments.
  - Targeted Capacity Expansion grant program asks how are mental health being used by certain groups and constituencies and we are hoping that this will develop new and exciting programs.
- State Incentive Grants go to communities that have a really good model that we think should be shared.
- [www.samhsa.gov](http://www.samhsa.gov)-National Registry of Effective Programs & facility locator

### **HHS-ORHP**

- ORHP has \$158 million in grant programs (including State Office of Rural Health prog). Two major initiatives:
  - President's Health Center expansion-seeks to double number of Community Health Center sites.
  - National Health Service Corps. \$35 million in additional funding available in the FY05 budget.
- Additional resources are in HRSA's Office of Rural Health Policy.
  - New rural EMS technical assistance center that should get at some of the billing issues Paul mentioned earlier.

- Rural Assistance Center-[www.raconline.org](http://www.raconline.org). Evolved from the Secretary's Rural Initiative that recognized there was no single resource that communities can go to get info on rural issues.
- National Rural Recruitment and Retention Network (3Rnet) helps match rural communities with practitioners-46 states participate.

#### **NRHA:**

- A number of rural programs are eliminated in the FY05 budget
  - FLEX, SHIP, Network, and Outreach programs (all grassroots) are getting axed. They give communities the ability to identify their most pressing problems and then develop collaborative means to address them.
  - March 12-NRHA was successful in getting the Senate to pass a resolution saying that they support these programs.
- Medicare bill has over \$20 billion worth of rural provisions.
  - Challenge: Once passed, somebody has to pass the regulations to implement, and many times that somebody doesn't know rural.
  - How regs are written has a lot of impact and you should all follow these and make sure they are done properly.
- NRHA: Community colleges are great resources for workforce development. NRHA & DOL trying to ensure that community colleges have necessary resources to train health care professionals.
- Many public health departments (20%) lack internet. Rural public health infrastructure has been allowed to deteriorate and is incapable of handling rural outbreaks.
- There is no coordinated rural policy-important that rural health care and econ communicate & work together.

**What things are going to happen that really impact the things that we talked to in terms of the rural reality, including personnel training? What can 40 SRDCs do to help you make sure that the right information gets out to rural folks?**

- SAMHSA has no regional presence-have to rely on the states to work with us. 75% of budget goes to state block grants to help states build infrastructure.
- SAMHSA has many programs that are ideal for rural-Need help in promoting and providing technical assistance for applying to grants.
- Substance abuse workforce is aging out and we really need more recruitment, esp in rural
  - Trying to recruit more people where they live & cross training, because there will always be a shortage
- Mental health field isn't quite as age sensitive, but for whatever reason they are not in rural America.
  - Biggest shortage: rural child psychiatrists. Trying to encourage psychiatric training in rural America so we can get more to rotate out there.

**What about training? A lot of med schools are all based in big hospitals and don't prepare for the realities of rural practice. Is there something like implemented rural residency programs for mental health professionals?**

- SAMHSA tries to recruit people closer to the community college level, but doesn't have any rural residency program.
- ORHP has several programs through Title VII of the Public Health Service Act that are administered by the Bureau of Health Professions.
- Number of loan repayment programs and the Quentin Burdick program for rural interdisciplinary training.
- ORHP is very interested in promoting rural residency programs and other training programs for rural practitioners.
- NRHA has group called the Rural Medical Educators. I advise you to grab as many psychiatrists as possible. The first thing to get cut in a residency program is the rural program because they don't bring a lot of revenue for the hospitals. An important impact of the MMA was the ability to have 10 bed psychiatric DPUs, so this will help a lot.
- Another concern is the lack of pharmacies in rural areas. In the new bill people are going to get a card, but the discount is only for Wal-Mart and other big pharmacies. If people drive out of town to get there prescription filled they are going to buy their groceries out of town and it will destroy local economies.
- MMA bill doubles telemedicine funding. People need to be aware of this and make sure rural areas get their telemedicine dollars.

**Lenders don't want to make loans to rural health care providers to see them fail, many times due to poor management. Are there training programs for hospital management?**

- ORHP has Delta Rural Hospital Performance Improvement Program - paid consultants to audit many small hospital's finances and develop tools that help improve hospital management. We would love to expand this beyond the delta commission eventually.
- ORHP also has balanced scorecard initiatives that essentially help hospital administrators develop a balanced management agenda.
- ORHP has several IT programs hospitals can provide for. I understand your concern and right now we have some contracts for the smallest rural hospitals, but we would like to expand these programs.
- NRHA promotes health facilities that are appropriate for a given community.
  - Critical Access Hospital status is a tremendous opportunity for many hospitals, but sometimes communities aren't prepared to transition into "downsizing."
- Also a demonstration authority in Medicare Bill for extended stay clinics that allow them to hold patients for 24 hours and be reimbursed—Very important for sparsely populated areas like Alaska.
- ORHP: Problem with psychiatric patients in rural communities is they end up in jail.
- NRHA: DPU will do something, but its not enough-still a problem with jail overflow.

**Do you have any programs that work on the investment side of things?**

- Within the last year SBA has taken a significant interest in the partnership and in working within rural. This would be an interesting project to engage them on.
- National Rural Funders Collaborative is also looking for opportunities to work very creatively in rural communities.

- IHS is the paramount example of what happens when you give people a big job and not enough resources to do it with.
- Community Health Aide Concept (AK) gives some communities an opportunity to provide a level of subsistence that they don't have right now. May be opportunity to expand, if we can shake off some of the guild issues and notion that health care can only be delivered in a certain way.

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## **LAND AND WATER MANAGEMENT POLICY DIALOGUE**

**March 15, 2004: 1:30-3:15 p.m.**

### **Summarize major discussion points**

1. **Sharing information about programs/resources available** – especially drinking water, wastewater, and small community forestry grants
2. **Difficulty of “cobbling together” funds from various federal grants when each has a matching requirement** – communities/states sometimes choose a less comprehensive approach because they can't afford the match.
3. **Difficulty of small community planners sorting through information about government programs** – need a “conduit” or counselor in the field who can work with communities to find information most relevant to their needs.

### **Follow-up actions**

1. **A regional approach to land and water management can support long term planning and sustainable development** – especially for areas trying to comply with arsenic regulations or experiment with alternative water treatment systems.
  2. **SRDCs might play the role of “conduit” for information -- or might direct communities to appropriate advisors/resources.**
  3. **SRDCs and others should facilitate dialogue between communities and EPA on water treatment issues -- especially working with the EPA regional offices.**
  4. **EPA wants to strengthen its relationship with the NRDP and Councils.**
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## **RURAL TRANSPORTATION POLICY DIALOGUE**

**March 15, 2004: 1:30-3:15 p.m.**

### **Moderator: Beverly Nykwest, National Association of Regional Councils**

- The usual dichotomy is familiar to everyone—urban transportation receives more attention than rural.
- However, transportation is vital to all communities.

**Linda Lawson, Director, Office of Safety, Energy, and Environment**

- DOT's surface reauthorization bill, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act of 2003 (SAFETEA) was sent to the Hill in May.
- Every billion in transportation infrastructure investment supports 47,000 jobs.
- DOT recognizes that participation in the planning process is crucial to affecting transportation decisionmaking. The Federal Highway Administration (FHWA) and the Federal Transit Administration have a new rule requiring States to document their planning consultation with rural officials. This should give rural officials greater access to the planning process.
- The Planning Capacity Building Initiative provides technical assistance, skills training, and networking for transportation planning. The SAFETEA version of the program places a special emphasis on rural areas.
- SAFETEA also makes permanent the Transportation, Community, and System Preservation program (TCSP). TCSP had been a pilot under TEA-21.
- DOT programs can help efforts to encourage rural tourism as an economic development strategy. The National Scenic Byways program has designated 66 rural roads as Byways, and a Byways designation can increase tourism to an area by 20%. SAFETEA proposes a 28% funding increase for Byways.
- FTA has been advocating increased funding for rural transit, and SAFETEA would make rural transit funding more predictable. The "5311" programs have an 87% increase in funding under SAFETEA.
- Rural highway safety is another area of concern for DOT. 59% of highway fatalities are on rural roads, and seat belt use in rural areas is well below the national average. Rural pickup truck seatbelt usage is at only 54%. DOT has been working with partners in the rural health community to fix this problem.

#### **Bryna Helfer, Federal Transit Administration, DOT**

- Coordination of transportation means that we can't have separate conversations on where transportation fits into a discussion on human services. Health, education, etc. should all be part of the discussion.
- Coordinating transportation services has been a recognized problem for at least thirty years.
- Rural areas are actually better than urban at coordinating services.
- A recent GAO study found that 62 programs across eight departments fund transportation for older, disabled, or low-income populations.
- Problems of turf, eligibility, reporting requirements, and regulatory issues are obstacles to coordinating these services.
- There is a need for better guidance from the Federal government to states and localities. A community should have its own local coordination plans and be able to identify its own needs.
- The United We Ride program was created to bring people together and identify needs. There is a self-assessment tool for communities and methods to identify strong leadership. The goal is to provide a customer focus with a single point to get services, dispatching services, and ways to break down obstacles.
- This issue was further highlighted in an Executive Order signed February 24 that will bring together ten agencies to coordinate transportation services.

**Beth Denniston, American Public Works Association:**

- APWA represents the directors of public works in small and large communities.
- Rural areas are seeing bus service disappear and transit service evaporate, which increases the need for cars.
- FTA's 5311 programs provide only about 15% of funding for rural transit—human service agencies provide another 15%.
- The Rural Transit Assistance Program (RTAP) is a Federally funded program that reinforces the idea that you don't give money without also providing technical assistance.
- RTAP provides training and helps illustrate transit's role in emergency response.
- Publications are available from the Community Transportation Association of America.

**Charles Rutkowski, Community Transportation Association of America:**

- CTAA's goal is seamless support for communities looking to build rural transit capacity.
- CTAA is a non-profit organization with 7000 members.
- They provide a continuum of technical assistance and planning support.
- 40% of rural counties still do not have public transportation. A lot of work has been done, but this statistic reveals that a lot still needs to be done.
- One problem is that distances in rural America are so much greater. People may need to travel two hours to reach a doctor, rather than two minutes or two miles in urban or suburban areas.
- Significant social changes in rural areas are contributing to the need for public transportation and services. There is a reduction in the extended family in rural areas as young people move away. This creates a need for the elderly to rely more on public transportation to fulfill their transportation needs.
- Community transportation can provide that linkage.
- CTAA's technical assistance provides that hands-on guidance.
- Transit can expand the rural economy. It creates jobs, takes people to jobs, and provides people with access to services.
- USDA also funds a free technical assistance program for rural transit providers.

**Janet Oakley, American Association of State Highway & Transportation Officials:**

- Transportation for rural areas must consider needs, resources, and levels of investment.
- AASHTO has assessed what States need and found that we need to invest 50% more in capital to maintain the current highway system and twice as much to maintain the current transit system. This is in addition to the significant backlog in highways and transit projects.
- The House Transportation & Infrastructure Committee has created a needs-based bill at a \$375 billion level. The bill would require an increase in fuel taxes.
- Obviously, needs outweigh resources. This leads to a competition among states and a competition within states—between urban and rural areas—for funding.
- ISTEA and TEA-21 gave non-metropolitan areas the expectation for greater consultation. The Final Rule issued last year reflects the results of state discussions with organizations representing local governments.
- A January workshop on rural consultation focused on how to collaborate better in a climate of constrained resources. The goal is to share within regions.
- Some key observations fall into an "ABC of local consultation":

- A for Adaptable in time and place
- B for Buy-In to the local process
- C for Consultation
- D for Description—a good description of what is needed
- E for Education and
- F for Facilitating Community Development
- There is a place for local governments to be very involved, but we all must remain cognizant of the competition. Hopefully, we can use that to enhance collaboration.
- Rural economic development can look to larger universities and multi-state partnerships, e.g. the Cana-Mex corridor.

## **Questions and Discussion**

Moderator Beverly Nykwist: We would never have heard this kind of discussion from DOT before ISTEA.

Steve Hoesel, Iowa

- There is a need for rural areas to be engaged in planning. There is only so much money available for coordination and it's hard to get funding.

Linda Lawson, DOT

- The new rule implementation should cause a difference.

Janet Oakley, AASHTO

- States do not want a mandate. AASHTO would prefer to bring states along voluntarily. A mandate would establish a ceiling rather than a floor.

Paul Costello, Vermont

- Vermont does community prioritization, and transportation has always been a priority. Health, education, and a community's welfare all rely in part on a community having access to transportation.
- Vermont has utilized vertical and horizontal coordination of planning. Federal, State, and municipal agencies are engaged, and coordination has happened across agencies as well.
- Downtowns are models of enhancement. Towns that were built for stagecoaches now have 600 trucks a day traveling on them.

Corridor coalitions have been useful. DOT designated priority corridors in 1995. I-81 and I-75 are two examples.

Joe Kiley, Colorado

- The Ports to Plains trade corridor has benefited from discretionary funding, and the group is worried about the move to formula funding. Will it be more difficult for rural areas to receive funding if it's by formula?

Linda Lawson, DOT

- Much discretionary funding was actually an earmark. The formula will provide stable and predictable funding that will allow states and communities to plan more effectively.

Janet Oakley, AASHTO

- Formulas are managed through State DOTs, and the focus will be on maintaining flexibility and reducing earmarking. We will try to ensure that decisions are made at the state and local level.

Sara Braasch, Idaho

- Idaho has had difficulty with Medicaid waivers.
- They are working with a group on public transportation and human service transportation coordination to be able to use one set of vehicles, not five.
- Medicare does not provide non-emergency transportation, so when seniors need access for a routine doctor visits, they call the ambulance anyway. This is needless and wasteful.

Conley Chaney, Kentucky

- What is happening with rural 9-1-1 services? It is being cut in many rural communities.

Linda Lawson, DOT

- SAFETEA is increasing funding for rural emergency medical service.

Steve Hoesel, Iowa

- Head Start requires yellow school buses, but the buses sit empty 22 hours a day.

Bryna Helfer, DOT/FTA

- Washington State has had success using school buses for senior transportation. A flex-route system has been developed.

Charles Rutkowski, CTAA

- The Transportation Cooperative Research Program (TCRP) is looking into a school bus/public transit interface.

### **What can rural communities do to convince states of the need for rural planning?**

**Janet Oakley, AASHTO**

- Look at states that have had success. Most states have some conduit for reaching out, so work on that partnership.
- Use state-level organizations first.
- We envision periodic assessments of progress. Work with local officials and local elected officials.

**Beth Denniston, APWA**

- APWA has state chapters that can be found through the website.
- The RTAP website gives contact information for each state manager.

## **WORKFORCE DEVELOPMENT POLICY DIALOGUE**

**March 15, 2004: 1:30-3:15 p.m.**

### **Jason Walsh, Workforce Alliance:**

- The Workforce Investment Act (WIA) is a lot better than prior workforce development legislation but is highly under-funded.
- Small enterprises employ more people overall than do the corporations.
- It's supposed to serve a universal population which isn't always conducive to rural areas
- There is a lot less training under WIA
- WIA is going through a reauthorization process

Group Input on how the reauthorization might address rural realities:

- Be creative, Not a one-size-fits-all
- Incorporate more entrepreneurial training
- Look more broadly (quality of live vs. just making a living)
- Develop a diverse workforce (elderly, workers with disabilities, etc.)
- Suggestion that SRDC index workforce training programs, look at overlap and possibilities for partnering
- Global learning exchange opportunities

Group went on to discuss the Higher Education Act in the context of workforce development.

### **Michelle Buehlmann, AASCU:**

- Pell Grant developed in the 1960s; the language and funding is still the same as it was then; it is out-of-date and is not conducive to today's students' needs.
- The Pell Grant is designed to serve an 18 year old student attending a four-year university. Today's common student, particularly in rural America is in their late 20-30s, has children, works and goes to school.

Group suggested that Pell Grant and other loan limits increase to serve today's average student.

- Federal Student Aid appropriations very small, new focus is on student loans.
- There may be a need to aggregate the loan limit
- Scholarship/financial aid-invest in people who will return to community

They also discussed how many rural communities are not able to access higher education; suggested that Higher Education Act put more emphasis on distance learning.

### **John Beverly, DOL-ETA:**

- Workforce Boards are not supposed to be budgetary, but that's what many have become
- Workforce Boards were supposed to work on strategic planning, they were supposed to bring all the major players together to address workforce development in their counties.
- What has been missing is that we need to connect workforce development, economic development and leadership development. All three need to be there for the Workforce Board to be successful.

**Group Discussion:**

- Rural communities have assets; they should not only be trying to bring the big corporations, but should be really working on micro-enterprises, value-added ventures.
  - When a large company/manufacturing plant leaves, the community goes into crisis. This is a community development issue. Workforce board (as a strategic planning entity) needs to help reinvent that community -or at least facilitate the process.
  - A lot of times the Workforce Boards don't have the right people at the table.
  - John Beverly responded by telling the SRDCs that, as conveners with various partners, they should make sure the right people are at the table. Work with their elected officials (who appoint board members) to make sure that board members are reflective of the communities employers.
  - Each state will be developing a 5 year workforce development strategic plan. John Beverly suggested that SRDCs could be the mechanism that ensures that local needs are included in the plan. SRDCs should feed this information to their state agencies.
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**Concurrent Policy Dialogues (Round 2)****RESOURCES & INFRASTRUCTURE FOR RURAL K-12 EDUCATION  
POLICY DIALOGUE**

**March 15, 2004: 3:45-5:30 p.m.**

**Thomas Luna, Executive Director, Rural Education Taskforce, Dept of Education**

- 43% of public schools are in rural areas.
- 1/3 of American students are enrolled a rural public school.
- US Department of Education's recent announcements regarding increased flexibility in No Child Left Behind (NCLB):
  - For students in failing schools:
    - School choice or supplementary services
      - First 2 years that school is failing, policy focus is to assist school to improve.
      - After 2 years, if school is still failing, school district must provide students a choice of a different school or supplementary educational/ tutorial services.
      - States determine who may provide these services.
    - For Low-English Proficiency (LEP) students:
      - DOEd announced on Feb. 20, 2004 that LEP students may be tested in their primary language.
      - Also, students will be evaluated for a term of 3 consecutive years to better evaluate average yearly progress.
    - Highly-Qualified Teachers:
      - DOEd announced on March 15, 2004 that teachers who meet all "Highly-Qualified Teacher" requirements in one subject area have three years to achieve HQ status in all other subjects they teach,

and may continue teaching these additional subjects during this time.

- States may offer own measures to determine HQ standards.

**Rachel Tompkins, President, Rural School and Community Trust**

- Private non-profit organization focused on promoting and providing assistance for the use of place-based education, as well as debunking the myths about school consolidation and providing alternative solutions.
- Place-based education:
  - Brings students' local interests and knowledge into curriculum,
  - Includes relevant skills training that feeds into local economic & workforce development and entrepreneurship.

**Mary Kusler, Legislative Specialist, American Association of School Administrators**

- Rural School Admins often play additional roles including teacher & bus driver.
- Rural School Administrators do not typically have staff to compete for grants and other additional resources.
- AASA guidance material regarding No Child Left Behind:
  - NCLB: A Guide for Small and Rural Schools
- Federal funding program: Rural Education Achievement Program (REAP)
  - Distributed by State Edu Depts, and does not require annual applications.
  - Provides funding to schools meeting one of two criteria:
    - Small Rural School Achievement (600 students or less; rural by US locale code 7 or 8)
    - Rural Poverty (rural by US locale code 6, 7, or 8; and 20% of population below poverty line)
- E-Rate program:
  - Schools can receive discounts on internet and telephone services, and apply for internal connection services.

**Dr. Michael Hill, National Association of State Boards of Education**

**Collaborating: NRDP, SRDCs, and education organizations**

- SRDCs can work with State Education Departments to help:
  - Develop supplementary service providers in rural areas,
  - Set standards for Highly-Qualified Teachers,
  - Develop strategies to assist schools and teachers meet these requirements.
- NRDP/SRDCs can facilitate collaboration to develop policies/programs to address external factors impacting education.
- NRDP/SRDCs can partner with education orgs to increase youth participation.

**Other notes from discussion:**

- Youth are a resource *now*!
- Education and economy are inseparable.

- Achievement gap cannot be closed solely through improvements in education policy (i.e. NCLB), because at least half of the factors impacting student performance occur outside of school.
  - Although Tribal schools are not governed by NCLB, a large majority of K-12 students who live on Reservations attend public schools off the Reservations that are governed by NCLB. → Requirements for “Highly-Qualified Teachers” place difficult strains on schools employing Tribal teachers who may be better suited to teach in these schools yet do not meet the HQ requirements. (HQ requirements are determined at state level)
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## ACCESS TO CAPITAL FOR RURAL BUSINESS DEVELOPMENT POLICY DIALOGUE

March 15, 2004: 3:45-5:30 p.m.

### Summarize major discussion points

1. **Information gap** – even though all programs have information on their websites, accessing information is difficult for many small business owners and others unaccustomed to the organization of government sites.
2. **Capacity-building for economic development in rural areas** – basic financial education, business planning, working with “risk-adverse” communities to find appropriate lending programs, helping people familiarize themselves with the “portfolio” of government and private programs for capital access.
3. **Need for local investment by local and branch banks** (rather than exporting dollars). CDFI is a step in this direction; community developers would like more information about supporting small banks and credit unions.

### Follow-up actions

1. **Coordination of information about federal programs for capital access** – a “clearinghouse” website that is focused on user profiles and can actually help people decide which programs fit their needs. (The website is a source of organized information, not just a list of programs – perhaps use “www.bizpathways.com” as a model.)
  2. **SRDCs need to help programs identify underserved areas** – a specific request from Federal Reserve and CDFI, to some extent EDA.
  3. **IEDC wants success stories for its quarterly magazine, “Economic Development America”** – a highly-regarded publication supported by EDA
  4. **EDA will be releasing a report on federal investment in rural areas, with a focus on needs for coordination** – based on research by a Harvard professor, release will involve an event with Congressional Rural Caucus; the NRDP could be part of this discussion.
  5. **Develop better performance measures for the impact of capital programs in rural areas** – “jobs created” is only a preliminary measure and misses the social/political/other economic effects of strengthening rural business.
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## **RURAL HOUSING POLICY DIALOGUE**

**March 15, 2004: 3:45-5:30 p.m.**

**Moderator: David Saffert, USDA-RD, Native American Coordinator**

### **Rural Realities:**

1. Rural areas need support for housing development—not just affordable housing
  - a. Lack of realtors, contractors, and appraisers—industry hasn't been established, so how to develop housing?
  - b. HUD and Treasury study—lack of capital in Native American communities.
  - c. Dilapidated city centers got groups and councils to bring together to revitalize—we need that in rural areas.
2. Substandard migrant housing development—variable cost of food—need to keep costs down. By not subsidizing housing for migrants, keeps costs down. Agriculture depends on migrants.
3. Substandard tribal housing—clear from 2000 Census that reporting not accurate from minority households—don't hear about homeless on tribal land—statistics misleading. It is quite typical for minorities to underrepresent themselves in the Census.
4. Substandard housing for the elderly. There is a need in rural areas for people to help elderly remodel the houses to meet their needs. Would need less assisted housing if could keep the elderly in their houses longer. Wisconsin—success with home health care cooperative.
5. Overrun by newcomers—gentrification.
6. Lack of information/technical assistance. It is harder to reach offices in the edge of areas/states for outreach and assistance.
7. Government will never have enough money. Need to work on leveraging private funding—bring together private and government sectors.

### **Michael Feinberg, USDA-Rural Housing Service**

- RHS Homeownership programs:
  - Section 502 direct & guaranteed loans-40,000 families buy, build, or improve.
    - Sect 502 direct-\$1.3 billion in loans to low-income families. Subsidized through payment assistance.
    - Sect 502 guaranteed-everyone up to 115% of median. \$2.2 billion.
  - Self Help Technical Assistance program--\$34 million
    - Make grants to technical assistance providers
    - Build 10-12 homes as a group
  - 504 loan and grant program
    - Very low-income homeowners-improving their substandard homes
    - Grants available to elderly homeowners
  - Site loans—develop housing sites. Loans repaid as houses are sold.
  - Section 525 technical assistance program: FY'04 receives \$2 million.
    - Provide technical assistance to further homeownership
    - Package applications, etc.
- Multi-family Program
  - Section 515 Rental program—build subsidized rental complexes
  - Emphasis on maintaining operations in existing properties
  - Foreign Labor Housing-\$47 mil loan, \$17 mil grant directed at farm labor housing & migrants.
- Community Facilities prog helps with assisted living through grants to local non-profits
- RHS responds through neighborhood reinvestment corporation to get contractors

- Average income of a family that is served is about \$20-21,000
- Low interest rates have been a boon—if interest rates rise, housing affordability will become a concern
- Homeownership education through Section 525 program

#### Dennis Daniels, HUD-Office of Native American Programs

- Native American Housing Assistance and Self-Determination Act amended in 1996—combined eleven programs into a single program based on self-determination. Comes in the form of a block grant to a tribe or a designated entity.
- Indian Housing Block Grant Program
  - \$625 million based on needs sent to tribes. A lot pays for maintenance of existing housing supply.
- Indian Community Development Block Grant Program
  - Infrastructure, housing acquisition, economic development projects
- Section 184 Program
  - Indian Housing Loan Guarantee program—no income limits
  - 100% guaranteed; available for housing up to \$198,000.
  - Can develop housing as a tribe for individuals to purchase—tribes can administer the program—one used for to develop 200+ houses in Arizona
  - 1500 projects—most in past 3 years. Can be used as a major dev impetus.
  - Office has \$800 million in loan authority
- Another program like Section 108 prog use anticipated funding toward existing housing

#### Dr. Jacqueline Williams, HUD-Office of Rural Housing and Economic Development

- HUD-traditionally urban agency but targeted at rural non-profits to carryout projects to link housing and economic development.
- Many different entities eligible—want to help build capacity in local rural non-profits.
- Established innovative clearinghouse for rural America to provide funding for:
  - Communities less than 2500
  - Mississippi Delta, CA, NM, TX, AZ
  - Migrant farm workers
  - Federally recognized Tribes
- Capacity building:
  - Local non-profit carries out soft-cost during application
  - Support innovative housing and economic development—applicants can construct housing/develop IDAs for residents of low-income persons
  - A national competition
  - In 1999 program began with \$25 million—have received \$25 consistently. Portfolio has evolved.
  - Have funded over 500 applicants in rural areas at about \$125 million.
  - Leveraging—applicants can leverage funding. Up to \$400,000 for each applicant.
  - Ensure that housing and economic development featured in rural America.
  - Grants at local field office responsible for working with designated representative—very different from U.S.

#### **Moises Loza, Housing Assistance Council:**

- We tend to think about urban areas when we think about these issues. But small towns and rural areas have the same problems.
- Need to look at underserved areas and make a difference —some rural areas not doing well—substandard living conditions, workers unemployed.

- Lack of housing = lack of infrastructure to support it. Need capacity & institutions.
- Tech assistance is the biggest part of program—try to do 6-8 organizations each year.
- Revolving loan fund-lend money for redevelopment needs-have built about 40,000 units.
- Research arm to advocate and educate, need for credible, defensible information.
- Every other year, HA holds a national conference that brings about 800 organizations from around the country to network and talk about resources and policy.

### **Discussion: What possibilities exist for future coordination? (Big picture issues)**

#### Support for general housing development?

- Lack of desire for traditional low-income housing within the community.
- USDA dis-incentivises through its grant programs. (?)
- Need to make sure that infrastructure development is there—capacity of sewage, water systems, etc. Rural communities often don't pay attention to these issues.
- Rural areas have a lack of comparable sales to use in the "market" approach of appraisals. "Cost" approach can work better.
- Look at rent-to-own options when market is unpredictable.
- Most activity in this country is market-driven. In this kind of housing market, developers are not rushing to rural communities. When the housing market turns, they rush to rural.
  - Look towards beginning builders & vocational education programs
- Employer-assisted housing-recognize importance of having professionals in community.
- USDA programs often limited for low and very low income families.

#### Is there any data on mortgage rates between rural and urban areas?

- Yes—from ERS. Maybe three years old. Definitely a difference. Rural mortgage interest rates—shorter and higher. Loan evaluation tends to be lower in rural America.

#### **What are you doing regarding the lack of capacity & borrowing in lending to rural areas?**

- HUD focuses on supporting low to very low and low to moderate-income citizens. HUD produces what those communities can afford to maintain.
- Lenders are encouraged to go out into a community—outreach.
- Operational programs—developing capacity and project sponsors. Not as easy as just devolving the funds. Federal government can provide a leadership, but there's bottleneck in service delivery. Lack of political will to get money to highest need areas.
- Change funding cycles—longer term/shorter grants rather than single big grants
- Could work on many of these issues indirectly by developing capacity.
- Corporate banking causes some housing problems-money doesn't come back to community—community banks kept money in the community.
- Working group addressing that issue—One Stop Mortgage center.
- CRA proposed regulations—rural areas going to get hurt. Comments still being accepted-Fed Register notice-let FDIC know there are objections.
- Minorities have the skills and experience to be in business, even if they haven't been in business that long. Minority Chamber of Commerces should be approached.
- Leveraging Community Development Block Grants to increase budget—regulations are specific on CDBG use. Rural Housing doesn't have regs-can approve innovative process.
- HOME program for affordable housing \$1.5 billion—40% goes to states and rural areas.
- Work on community cooperation—removing impediments often equates a reduction in funding.

## **WEDNESDAY, MARCH 17, 2004**

### **Strategies for Engaging Tribal Involvement on SRDCs**

**March 17, 2004: 9:00-10:00 a.m.**

#### **Introduction and facilitation by Madonna Peltier -Yawakie (MN Rural Partners)**

- State/Federal government recognition of Tribes:
  - In eastern states, many tribes have not been designated as Federally Recognized Tribes, but are recognized as tribes by their state (State Recognized Tribes)
  - In western states, Tribes are recognized at Federal level.
- SRDCs should seek to engage Tribal participation not only because of Federal requirements (2002 Farm Bill, Section 6021), but because of the positive benefits of involving Tribes in rural dialogue.

#### **Farm Bill Requirements (Rick Wetherill, USDA-Office of Comm. Development)**

- On December 23, 2003, SRDCs should have received guidance materials for engaging Tribal participation on SRDCs (via email from Esther Ellsworth, OCD)
- SRDCs are required at minimum to make good-faith efforts such as:
  - Formally presenting your SRDC to Tribes in your state
  - Attending meetings and technical assistance sessions with Tribes in your state.
- USDA Rural Development will check annually for SRDC-Tribal involvement.

#### **Resources and Information for SRDCs (David Saffert, USDA Rural Development)**

- Non-profit organizations are important resources for understanding and working with Native American issues.
- All states are different → USDA Rural Development State American Indian Coordinators may offer important assistance.
- Resource Conservation Districts also have experience working with tribes that may be helpful ([www.rcdnet.org](http://www.rcdnet.org))
- For a list of recognized Tribes in your state, contact [david.saffert@usda.gov](mailto:david.saffert@usda.gov).

#### **Chuck Akers, Alaska Rural Development Council**

- Councils must understand:
  - The importance of language & communication
  - All Tribes are sovereign nations/ governments
  - All Tribes are different.
  - Get to know the Tribe and culture.
  - The term “Indian Country” is important.
- Councils must ask:
  - How did its structure originate? Who was involved? How was Council formed?
  - How do we as SRDC leaders participate with Tribes?
    - Research and be flexible with regard to time, location, time-frame, etc.
    - Be willing to do the same for the Tribe that you would ask of them.
    - Be a part of the solution, but don’t try to be the solution.

**Scott Truman, Utah Rural Development Council**

- All Tribes are different
- URDC found some success through employing one full-time professional—selected by a Tribal committee—who focuses entirely on working with Tribes.
- Success comes from being present and engaged. Accept invitations to participate in the Tribal events, meetings, etc.

**Cornelius Grant, North Dakota Rural Development Council**

- Involvement must be government-to-government, Council-to-government—not merely Council-to-individual.
  - Don't try to over-sell the importance of your Council.
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Rural Cabinet Meeting

**March 17, 2004: 2:00-3:00 p.m.**

**Regina Schofield, Director of Intergovernmental Affairs**

**U.S. Department of Health & Human Services**

- Rural Task Force—how to break down barriers and get to implementation
- Technical assistance
- One Stop: [www.raconline.org](http://www.raconline.org)
- Augmenting and integrating human service transportation now a key focus

**Dr. William Weeks, Director, Rural Health Initiative, VA Medical Center, Vermont**

**U.S. Department of Veterans Administration**

- Rural programs are integrated
- Outpatient clinics in rural areas
- CARES initiative specifically addresses access concerns for rural veterans
- Telehealth projects improve access and outcomes
- Providers in rural settings offer a broader set of services and customers are more satisfied

**Kit Kimball, Director of External and Intergovernmental Affairs**

**U.S. Department of Interior**

- Endangered Species Act

**George Schoener, Deputy Assistant Secretary for Transportation Policy**

**U.S. Department of Transportation**

- Safe, Accountable, Flexible, and Efficient Transportation Equity Act funding level at \$256 billion

- Scenic Byways, Recreational Trails, Enhancements, and Planning are all enhanced to better serve rural communities
- United We Ride initiative brings together resources to improve transportation service provider coordination

**Dr. David Sampson, Assistant Secretary for Economic Development**

**U.S. Department of Commerce**

- Offers comprehensive economic development strategies
- Increase private sector job creation
- Communities impacted by manufacturing loss
- Research on rural economies to reveal any competitive advantage of rural America
- Difficult because such fragmentation across agencies—a lack of access and coordination

**Thomas Luna, Executive Director, Rural Education Taskforce**

**U.S. Department of Education**

- 43% of schools are in rural areas, and 31% of children attend rural schools
- A taskforce on No Child Left Behind found a link between a robust economy and high quality education
- The REAP program will help rural schools implement NCLB.

**Douglas Faulkner, Principal Deputy Assistant Secretary**

**U.S. Department of Energy-Office of Energy Efficiency & Renewable Energy**

- Design and make nuclear weapons
- Clean up the after-effects of the Cold War
- Science, energy-related research and development
- Freedom Car initiative
- Weatherizing low-income housing

**David Dye, Deputy Assistant Secretary**

**U.S. Department of Labor-Employment & Training Administration**

- 1600 One-Stop Career Centers located throughout the country

**Dan Iannicola, Deputy Assistant Secretary for Financial Education**

**Linda Lawson, Director of Policy & Programs, CDFI Fund**

**U.S. Department of the Treasury**

- Community Development Financial Institutions
- Financial literacy commission can answer growing need to build capacity of financial institutions
- Tax credit program to attract banks to underserved markets

**Allison Wiedeman, Rural Branch Chief, Water Permits**

**U.S. Environmental Protection Agency**

- Water quality initiative—impact of non-point sources. Largely due to agricultural run-off.
- EPA is working to build stronger relationships with USDA, state Ag departments, and farmers
- Section 319 of the Clean Water Act provides grants for non-point pollution control

**Jennifer Wagner Bell, Rural Development Program Examiner**

**U.S. Office of Management and Budget**

- Regulation of agricultural rural programs
  - Crosscut for particular groups, e.g. rural drinking water
  - Look at MOUs to determine if pockets of need exist
  - With so many programs, it is difficult to coordinate all of them
  - Encourage formation of “virtual” RD agency
-

## NRDP Action Items

**March 17, 2004: 3:30-4:30 p.m.**

### **What went well?**

- Planning
- Opportunities to meet with Federal agencies
  - Key is to maintain & further develop these relationships
- Relationships
  - Network of states
  - Outreach to Federal & National organizations
- Rural Cabinet Meeting
  - Continue in Oklahoma with more time for discussion & sharing SRDC experiences & success stories
  - Contact information and follow-up with the participants

### **What was missing? What is the needed follow-up for the next Consultation?**

- Build on the regional meetings-more time to focus on regional meetings/issues
- Land & Water Management
  - Should talk about local control
- Implementation of NRDCC-follow-up with a schedule
- Follow-up and continue with Congressional consultations
  - Next time-Separate Rural Issues Briefings for Senate & House
  - Congressional Briefing must be dynamic-demonstrate passion & grassroots components of NRDP & SRDCs
- Revisit priorities for NRDP & SRDC network
- Next time: Have more success stories of how SRDCs utilize the Federal programs represented at the Consultation
- Follow-up with OMB

### **What follow-up is needed now for Oklahoma (both in DC & the states)?**

- Articulate the roles/niches of SRDCs better
  - Not grant makers
  - Identify problems & key parties and convene them to form a response
- Policy
  - SRDC's information to be used at national level
  - Use quarterly reports to identify challenges, barriers, best-practices, etc.
    - Follow through at national level to work to disseminate information and address challenges, etc.
- Suggestion: Kick-off NRDCC in conjunction with a Town Hall Meeting at the OK Conference
  - Beef up the grassroots component
- Challenge: Projects bring funding for the Council, must continue doing projects to maintain the Council's ability to work on policy
- Oklahoma Conference should focus on success stories and promoting the NRDP